

MSA	ACTUAL SW ID	SWITCH Node/POI	UNE-P Units By CLEC
Crowley, LA Micropolitan Statistical Area			
Cullman, AL Micropolitan Statistical Area			
Danville, KY Micropolitan Statistical Area			
De Ridder, LA Micropolitan Statistical Area			
Decatur, AL Metropolitan Statistical Area			
Durham, NC Metropolitan Statistical Area			
Dyersburg, TN Micropolitan Statistical Area			
Elizabethtown, KY Metropolitan Statistical Area			
Florence, AL Metropolitan Statistical Area			
Florence, SC Metropolitan Statistical Area			
Forest City, NC Micropolitan Statistical Area			
Fort Polk South, LA Micropolitan Statistical Area			
Frankfort, KY Micropolitan Statistical Area			
Gadsden, AL Metropolitan Statistical Area			
Gaffney, SC Micropolitan Statistical Area			
Gainesville, FL Metropolitan Statistical Area			
Gainesville, GA Metropolitan Statistical Area			
Goldsboro, NC Metropolitan Statistical Area			
Greenville, MS Micropolitan Statistical Area			
Greenville, SC Metropolitan Statistical Area			
Greenwood, MS Micropolitan Statistical Area			
Hammond, LA Micropolitan Statistical Area			
Harriman, TN Micropolitan Statistical Area			
Hattiesburg, MS Metropolitan Statistical Area			

MSA	ACTUAL SW ID	SWITCH Node/POI	UNE-P Units By CLEC
Huntsville, AL Metropolitan Statistical Area			
Jackson, MS Metropolitan Statistical Area			
Jackson, TN Metropolitan Statistical Area			
Jacksonville, FL Metropolitan Statistical Area			
Knoxville, TN Metropolitan Statistical Area			
La Follette, TN Micropolitan Statistical Area			
Lafayette, LA Metropolitan Statistical Area			
LaGrange, GA Micropolitan Statistical Area			
Lake Charles, LA Metropolitan Statistical Area			
Laurel, MS Micropolitan Statistical Area			
Laurinburg, NC Micropolitan Statistical Area			
Lincolnton, NC Micropolitan Statistical Area			
Lumberton, NC Micropolitan Statistical Area			
Macon, GA Metropolitan Statistical Area			
Madisonville, KY Micropolitan Statistical Area			
Mayfield, KY Micropolitan Statistical Area			
Meridian, MS Micropolitan Statistical Area			
Middlesborough, KY Micropolitan Statistical Area			
Mobile, AL Metropolitan Statistical Area			
Monroe, LA Metropolitan Statistical Area			

MSA	ACTUAL SW ID	SWITCH Node/POI	UNE-P Units By CLEC
Montgomery, AL Metropolitan Statistical Area			
Morgan City, LA Micropolitan Statistical Area			
Morristown, TN Metropolitan Statistical Area			
Mount Sterling, KY Micropolitan Statistical Area			
Murray, KY Micropolitan Statistical Area			
New Iberia, LA Micropolitan Statistical Area			
Newport, TN Micropolitan Statistical Area			
Ocala, FL Metropolitan Statistical Area			
Orangeburg, SC Micropolitan Statistical Area			
Orlando, FL Metropolitan Statistical Area			
Owensboro, KY Metropolitan Statistical Area			
Oxford, MS Micropolitan Statistical Area			
Palatka, FL Micropolitan Statistical Area			
Paris, TN Micropolitan Statistical Area			
Pascagoula, MS Metropolitan Statistical Area			
Richmond, KY Micropolitan Statistical Area			
Rockingham, NC Micropolitan Statistical Area			
Rome, GA Metropolitan Statistical Area			
Salisbury, NC Micropolitan Statistical Area			
Savannah, GA Metropolitan Statistical Area			
Seneca, SC Micropolitan Statistical Area			
Sevierville, TN Micropolitan Statistical Area			
Shelby, NC Micropolitan Statistical Area			
Shelbyville, TN Micropolitan Statistical Area			
Spartanburg, SC Metropolitan Statistical Area			
Starkville, MS Micropolitan Statistical Area			
Thomasville, GA Micropolitan Statistical Area			

MSA	ACTUAL SW ID	SWITCH Node/POI	UNE-P Units By CLEC
Troy, AL Micropolitan Statistical Area			
Tullahoma, TN Micropolitan Statistical Area			
Tupelo, MS Micropolitan Statistical Area			

Tuscaloosa, AL Metropolitan Statistical Area

Tuskegee, AL Micropolitan Statistical Area
Vero Beach, FL Metropolitan Statistical Area

Vicksburg, MS Micropolitan Statistical Area
Warner Robins, GA Metropolitan Statistical Area
Waycross, GA Micropolitan Statistical Area

Wilmington, NC Metropolitan Statistical Area

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

In Re:)	
FCC's Triennial Order Regarding the)	Docket No. 17749-U
Impairment of Local Switching for Mass)	
Market Customers)	

**COMPSOUTH'S RESPONSES TO
BELLSOUTH'S FIRST SET OF INTERROGATORIES (Nos. 1-44) AND
FIRST REQUESTS FOR PRODUCTION OF DOCUMENTS (Nos. 1-2)**

Competitive Carriers of the South ("CompSouth"), pursuant to the October 21, 2003 *Procedural and Scheduling Order* in this docket, hereby responds to BellSouth Telecommunications, Inc.'s (hereinafter "BellSouth") First Set of Interrogatories and First Request for Production of Documents to CompSouth, served on February 4, 2004. Any responses made to BellSouth's interrogatories and requests for production of documents are made subject to the general and specific objections stated herein, the Protective Agreement previously executed between the parties, and any protective order as may be issued by the Georgia Public Service Commission ("Commission") in this docket.

General Objections

CompSouth makes the following General Objections to BellSouth's First Set of Interrogatories and First Request for Production of Documents, including the applicable definitions and general instructions therein ("BellSouth's discovery").

1. CompSouth objects to BellSouth's discovery to the extent it seeks to impose an obligation on CompSouth to respond on behalf of persons that are not parties to this case on the grounds that such interrogatories are overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules.

any information relied upon by Mr. Gillan in making his geographic market recommendation that he did not possess at the time his Direct Testimony was filed.

RESPONSE:

As explained in Mr. Gillan's Direct Testimony, he believed it was appropriate to first determine where BellSouth claimed that CLECs were not impaired before analyzing that proposal and offering alternatives, if appropriate.

Answer provided by Joseph Gillan.

INTERROGATORY NO. 9:

For those individual carriers that comprise CompSouth, identify each such carrier that decides to enter a market at the wire-center level.

RESPONSE:

In addition to its general objections, CompSouth objects on the grounds that it is a coalition formed for advocating regulatory policy and has no legal authority to compel its members to respond to indirect discovery of this kind from BellSouth or any other party, and BellSouth was within its rights to serve this Interrogatory individually on CompSouth members if it so chose. Notwithstanding these objections, and without waiving them, CompSouth refers BellSouth to Attachment A, which is a composite document summarizing responses received from certain CompSouth members regarding Interrogatory Nos. 9-12.

INTERROGATORY NO. 10:

For those carriers identified in response to Interrogatory No. 9 that decide to enter a market at the wire-center level, please:

- (a) identify those wire centers in BellSouth's service territory in Georgia that each such carrier has decided not to enter;
- (b) explain in detail why the carrier decided not to enter that wire center; and
- (c) identify all documents referring or relating to the process by which each such carrier decides to enter a market at the wire-center level.

RESPONSE:

See objections and response to No. 9.

INTERROGATORY NO. 11:

For those individual carriers that comprise CompSouth, identify each such carrier that decides to enter a market at the LATA level.

RESPONSE:

See objections and response to No. 9.

INTERROGATORY NO. 12:

For those carriers identified in response to Interrogatory No. 11 that decide to enter a market at the LATA level, please:

- (a) identify any LATAs in BellSouth's service territory in Georgia that each such carrier has decided not to enter;
- (b) explain in detail why the carrier decided not to enter that LATA;
- (c) identify those LATAs in BellSouth's service territory in Georgia that each such carrier has decided to enter;
- (d) identify any wire centers in those LATAs that each such carrier has

- entered where the carrier does not provide qualifying service; and
- (e) identify all documents referring or relating to the process by which each such carrier decides to enter a market at the LATA level.

RESPONSE:

See objections and response to No. 9.

INTERROGATORY NO. 13:

Referring to page 34 of the Direct Testimony of Joseph Gillan, has any analysis, study, or evaluation of "a CLEC's costs to extend an analog loop from the wire center where it is currently located to the CLEC's switch location" been conducted by, on behalf, or at the direction of CompSouth or Mr. Gillan? If the answer to this Interrogatory is in the affirmative, describe with particularity the results of that analysis, study, or evaluation.

RESPONSE:

Mr. Gillan has not performed that calculation for this proceeding. Mr. Gillan is aware of a variety of such analyses that were filed at the FCC in the TRO proceeding and BellSouth has the same access to that record as Mr. Gillan.

Response provided by Joseph Gillan.

INTERROGATORY NO. 14:

Referring to the six trigger criteria identified on page 38 of the Direct Testimony of Joseph Gillan, provide specific references to any and all language in the TRO that support your position that a carrier must meet each of these six criteria in order to qualify as one of the three self-provisioning providers necessary to satisfy the FCC's self-provisioning trigger.

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**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of)	
)	
Unbundled Access to Network Elements)	WC Docket No. 04-313
)	
Review of the Section 251 Unbundling)	CC Docket No. 01-338
Obligations of Incumbent Local Exchange)	
Carriers)	
)	

**REPLY AFFIDAVIT OF NANCY STARCHER
ON BEHALF OF BELL SOUTH TELECOMMUNICATIONS INC.**

FILED OCTOBER 19, 2004

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Nancy Starcher, being duly sworn, deposes and says:

1. My name is Nancy Starcher. I am employed by BellSouth Telecommunications, Inc. ("BellSouth") as Director, BellSouth Interconnection Services, Transport Product Marketing. I am responsible for the introduction of new and enhanced products and services, and the group in which I work is responsible for the analysis and design of integrated transport solutions across the BellSouth region.
2. I am a graduate of the University of Kentucky and have a Bachelor of Science degree in Civil Engineering. I have been employed by BellSouth since 1986 and have worked in various capacities at the company, including Circuit Administration, Outside Plant Planning, and Infrastructure Planning.
3. The purpose of this affidavit is to provide an overview of BellSouth's special access offerings. In so doing, I refute allegations by AT&T Corp. ("AT&T") that BellSouth's special access services: (i) provide "limited rate stability"; and (ii) contain "poison pills designed to prevent competition." I also rebut claims by the Loop and Transport CLEC Coalition that: (i) attractive special access discounts are "unavailable as a practical matter to CLECs that plan to construct their own facilities as conditions permit"; and (2) facilities-based CLECs are being "locked out" of the market for wholesale services. Finally, I address claims about special access pricing raised by Cbeyond.

4. BellSouth currently offers three primary plans to special access customers that provide discounts based on the term length commitment of the plan. These three plans are the Area Commitment Plan ("ACP"), the Transport Payment Plan ("TPP"), and the Channel Services Payment Plan ("CSPP"). Together, these three plans, which are described briefly below, cover approximately 80% of BellSouth's special access revenues.

Area Commitment Plan

5. The ACP allows customers who have obtained service on a month-to-month basis to receive reduced rates, in the form of ACP credits, in exchange for a commitment to maintain a level of service for a specified period of time. The terms of this plan apply to special access services or switched transport access services that are available under an ACP, except as noted in the rate regulations for a service. Services included in a Channel Services Payment Plan (CSPP) and/or a Transport Payment Plan (TPP) may not be included in an ACP or vice versa. The customer determines the commitment level of rate elements that will be included in an ACP, i.e., the customer will provide the number of commitment rate elements expressed as a whole number (e.g., 12 DS1 Local Channels). The customer may desire to establish a

commitment level only for a small portion of the rate element services.

6. ACP commitment terms range from 24 months to 72 months, at the customer's discretion. ACP Plan A, which requires a commitment period of 24 months to 48 months, offers slightly smaller discounts than ACP Plan B, which requires a commitment period of 49 months to 72 months. The discounts available under the ACP vary by rate element. Generally speaking, though, discounts associated with ACP Plan A are approximately 23 percent, while discounts associated with ACP Plan B are approximately 28 percent. The actual discounts associated with each particular ACP plan are specified in the ACP plan rates for the relevant service element, and can be found in Section 6 (Switched Access (SWA) Dedicated Transport Services), Section 7 (Special Access (SPA) Transport services), or Section 23 (SPA or SWA Dedicated Transport Services in the full relief Phase II pricing flexibility MSAs) of BellSouth's Tariff FCC No. 1.
7. The ACP is thus a non-circuit-specific term commitment plan typically applicable to DS1 and lower level circuits (Switched Access dedicated transport DS3s are also eligible for the ACP). ACP commitments are made on a regional (i.e., footprint wide) basis, with billing credits distributed to billing areas (i.e., states) based on each billing area's portion of ACP-eligible in-service billing units. The customer has complete discretion to choose the number of channel terminations (i.e., local channels), interoffice miles, and/or

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multiplexer rate elements to commit under an ACP, and there is no minimum quantity to which the customer must commit in order to obtain the benefits of the ACP. The customer may have multiple active ACPs at any time, and may increase its commitment under any active ACP at any time without penalty. ACP credits are applied only to the number of units committed, not to (and regardless of) the customer's dollar expenditures.

The Transport Payment Plan

8. The Transport Payment Plan or TPP allows customers to obtain specific special access services at stabilized, discounted monthly rates for fixed service periods anywhere from 12 months to 96 months in length, as selected by the customer. Tariff FCC No. 1 § 2.4.8(D)(1)(b). The services available under the TPP are BellSouth Point to Point Network Service (i.e., "LightGate® Service"), BellSouth Dedicated Ring Service (i.e., "SMARTRing® Service"), BellSouth Native Mode LAN Interconnection Service ("NMLI"), BellSouth DS1 Diverse Service, and BellSouth Wavelength Service. *Id.* § 2.4.8(D)(1)(a).
9. The TPP is a circuit-specific term commitment plan that is available for high capacity circuits; there is no minimum volume level component to the TPP. Rates stabilized under the TPP are exempt from rate increases, but are automatically reduced by any rate decreases. The discounts available under the TPP vary by rate element. Generally speaking, though, discounts associated with TPP Plan A, Plan B, and Plan C are approximately 25 percent, 32 percent, and approximately 40 percent, respectively. The actual

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discounts associated with each particular TPP plan are specified in the TPP plan rates for the relevant service element, and can be found in Section 6 (SWA Dedicated Transport Services), Section 7 (SPA Transport services), or Section 23 (SPA or SWA Dedicated Transport Services in the full relief Phase II pricing flexibility MSAs) of BellSouth's Tariff FCC No. 1. Customers may add services under a TPP arrangement at the plan's stabilized monthly recurring rates.

Channel Services Payment Plan

10. The Channel Services Payment Plan or CSPP allows customers to obtain specific special access services at stabilized, discounted monthly rates for fixed service periods ranging from 12 months to 96 months in length, as selected by the customer. The CSPP is available as an alternative to the Area Commitment Plan for a set of services including SPA DS1, WATS Access Line Service, Digital Data Access Service ("DDAS"), and SMARTPath® Service. The CSPP is the exclusive optional payment plan applicable to BellSouth's line of special access customer network management and reconfiguration services (commonly known as "FlexServ® Service"). Prior to August 23, 1996, when the Transport Payment Plan was introduced, the CSPP was also available for new SMARTRing and LightGate Services.

11. Rates stabilized under the CSPP are exempt from rate increases, but are automatically reduced by any rate decreases. Customers may add services under a CSPP arrangement at the plan's stabilized monthly recurring rates. To increase capacity for the remaining few LightGate and SMARTRing Services still active under a CSPP though, a customer must convert the CSPP arrangement to a TPP arrangement, which the customer may do without charge.
12. The term rates associated with the CSPP are the same as those associated with the ACP for the set of services that are eligible for the ACP, while the general range of discounts associated with the CSPP for the suite of network management services (i.e., "FlexServ Service") is approximately 10 percent to 20 percent of the month-to-month rates. The CSPP has no minimum volume level.

Other Special Access Discount Plans

13. In addition to the three primary special access discount plans described above, BellSouth also currently offers additional discount options for its special access customers. These include: Fast Packet Services Payment Plan (SPP) and Fast Packet Savings Plan (FSP).
14. Fast Packet Services Payment Plan (SPP) is a payment plan that allows the customer to pay discounted monthly rates for fixed periods selected by the customer. Under this plan there are two (2) payment plans offered: Plan A,

which covers a period of no less than 12 months and up to 24 months, and Plan B, which covers a period of 25 months to 48 months.

15. Fast Packet Savings Plan (FSP) allows customers to receive credits applied to their bill in exchange for making a commitment to maintain a minimum level of total Fast Packet Services monthly recurring billing for a specified period of time.

16. In addition, in those geographic areas where BellSouth has been granted price flexibility, BellSouth has the opportunity to offer contract tariffs that include discounts on transport as well as developing customized performance guarantees. These contract tariffs are market driven and are tailored to meet a particular competitive situation. They typically involve volume, product, and/or revenue commitments jointly agreed to by the parties.

Special Access Performance Credits And Guarantees

17. BellSouth offers special access transport with a Service Assurance Warranty ("SAW"). This commitment enables customers who may experience "service interruptions" in access transport services to receive a credit for a percentage of their monthly recurring charges. An access service is considered interrupted when: (i) it becomes unusable due to failure of a facility component used to furnish service (under Tariff F.C.C. No.1); or (ii) in the event that the protective controls applied by BellSouth result in the complete loss of use of the service by the customer.

18. The SAW applies to certain products and services and includes specified credits, as described below:

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A credit allowance applies on these products/services:	When an outage exceeds:	Credit as a percent Monthly Recurring Charge (MRC):
OC-3,12,48 SPA Dedicated Ring aka SMARTRing® Service (System Failure)	1 Second	100% of MRC after 1 second outage
OC-3,12,48 SPA Dedicated Ring aka SMARTRing Service (Channel Interface Failure)	1 Minute	100% of MRC after 1 minute outage
SPA DS3 Point to Point Service (aka LightGate® Service)		
Shared Ring DS1/3 Service (aka SMARTPath® Service)		
SPA DS1(Zone 1)		
SPA DS1 (zones 2& 3)	30 Minutes	25% of MRC 30 – 150 minute outage 50% of MRC 151 – 210 minute outage 100% of MRC 211+ minute outage
SPA DS0	30 Minutes	1/1440 of the MRC after 30 minutes outage for each 30 minutes of outage
DS0 – DDAS, Analog, Program Audio, Telegraph, Broadcast Quality Video		

19. In addition, BellSouth offers a Service Installation Guarantee (SIG), which is a credit provided to a customer should BellSouth fail to meet mutually agreed upon access transport service order installation dates. The customer will receive a credit in an amount equal to the non-recurring charges associated with that service should the installation date be missed. The Service Installation Guarantee applies to the following products and services: OC-3, OC-12, OC-48 Dedicated Rings (SMARTRing Service) (ring level elements are not covered); special access DS3 Point-to-Point (LightGate Service); special access Shared Ring DS1/3 (SmartPath Service); special access DS1; special access DS0 Digital Data; and special access DS0 Voice Grade.

CLEC Allegations

20. In its Comments (pp 87-88), AT&T alleges that BellSouth's special access services provide "limited rate stability," suggesting that BellSouth has the ability to raise unilaterally its rates for special access services. AT&T contrasts special access pricing with rates for UNEs, which, according to AT&T, "provide competitive carriers with the rate stability that they need to make rational entry decisions." This allegation makes no sense given the structure of BellSouth's current special access discount plans.

21. As discussed above, BellSouth's primary discount plans that currently are available allow special access customers to enter into multi-year contracts for as long as 72 months in the case of ACP or up to 96 months for TPP and CSPP. Of course, the customer can select the length of contract it desires depending on its needs and can elect discounts under a contract as short as one-year under any of these three plans. Regardless of the contract duration, however, the price of services purchased under the ACP, TPP, or CSPP will not increase as long as the contract is in effect. Thus, BellSouth special access customers can be assured of enjoying "rate stability" for extended periods of time at the customer's election, notwithstanding AT&T's claims to the contrary.

22. AT&T's assertion (p. 88) that BellSouth's special access tariffs "contain exclusionary 'lock-up' provisions that require a carrier to maintain the vast

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majority of its traffic" with BellSouth is inaccurate. Neither the ACP, TPP, nor CSPP requires a special access customer to maintain any specific level of traffic on BellSouth's network, let alone the "vast majority" of the CLEC's traffic.

23. To be sure, BellSouth previously offered its Transport Savings Plan ("TSP") and Premium Service Incentive Plan ("PSIP"), which provided special access discounts in exchange for a customer's commitment to purchase specified volumes of services for a specified period of time. AT&T is challenging both TSP and PSIP (File No. E8-04-MD-010) before the Commission. While BellSouth fully believes that the terms and conditions associated with these plans were just and reasonable, BellSouth, nonetheless, voluntarily grandfathered these discount plans, and new special access customers cannot avail themselves of either plan.

24. AT&T alleges (p. 113) that BellSouth's special access tariffs contain "poison pills" allegedly "designed to block carriers that subscribe to these tariffed services from using alternatives to compete." Similarly, the Loop and Transport CLEC Coalition asserts (p. 61) that BellSouth is "using special access volume and terms [sic] plans as a means to lock facilities-based CLECs out of the market for wholesale services." However, neither AT&T nor the Loop and Transport CLEC Coalition bothers to identify any particular provision in ACP, TPP, or CSPP about which they are allegedly concerned.

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This is not surprising, since customers opting to participate in the ACP, TPP, or CSPP are not required to forego any competitive alternatives as a prerequisite to obtaining the discounts available under those plans.

25. To the extent AT&T and the Loop and Transport CLEC Coalition are suggesting that a multi-year term contract is a “poison pill” or is somehow “anticompetitive,” they are seriously mistaken. Term contracts are common in the telecommunications industry and have been a mainstay of competition for decades. In fact, AT&T admits (p. 129) that “[a]n important feature of the enterprise market is that large enterprise customers take service under multi-year term contracts.” Thus, there is nothing insidious about multi-year term contracts.

26. The Loop and Transport CLEC Coalition’s argument (p. 61) that the “most attractive special access pricing ... is unavailable as a practical matter to CLECs that plan to construct their own facilities as conditions permit” is difficult to fathom. The “most attractive special access pricing” currently offered by BellSouth is through its ACP, TPP, and CSPP, which can readily be used by any carrier, including one that intends to construct its own facilities as some point in the future. These discount plans are flexible enough to allow a carrier to select the period of time to which it would like to enter into a contract with BellSouth, which could be tailored to bridge the time when the carrier enters the market and when it has deployed its own facilities. The

ACP, TPP, and CSPP also give carriers options as to which services to purchase under these discount plans such that self-provisioned facilities could readily be exempted.

27. AT&T's assertion (p. 112) that BellSouth has been unwilling to include performance standards in its special access tariffs is completely false. To the contrary, as discussed in detail above, BellSouth's tariffs contain specific standards for service interruptions and installation appointments associated with special access and provide for credits when those standards are not met. That AT&T has either intentionally or inadvertently overlooked these tariff provisions is difficult to explain.

28. Cbeyond claims (Batelaan Declaration ¶ 8) that if it "converted every UNE it currently purchases to special access," there is no "plan that Cbeyond would qualify for any of the tariffed special access volume discounts." Cbeyond is mistaken. BellSouth has analyzed the products that Cbeyond currently purchases as UNEs from BellSouth in the Atlanta LATA, determined the tariff rate that would apply if these products were purchased as special access, and calculated the reduced rates that would apply if the special access services were purchased under a discounted contract plan. Based on this analysis, BellSouth has identified approximately \$1 million in savings that Cbeyond would enjoy if it purchased special access services under a discounted contract plan as opposed to paying tariffed month-to-month special access rates. While both the discounted and tariffed special access

rates are higher than UNE rates, there is no merit to Cbeyond's suggestion that its only option is to pay tariffed special access rates if UNE high-capacity loops and transport were not available.

29. AT&T claims (p. 98-101) that it "has effectively abandoned providing some types of local private line and Ethernet services," suggesting that special access pricing by BellSouth and the other ILECs are to blame. While I am not privy to the reasons for AT&T's business decisions, any decision by AT&T to cease offering particular services may have more to do with a change in business strategy than special access pricing. For example, AT&T announced in July 22, 2004 a new strategy that involves "concentrating its growth efforts going forward on business markets and emerging technologies, such as Voice over Internet Protocol (VoIP), that can serve businesses as well as consumers," which, according to AT&T, "plays to AT&T's strength as an innovator in communications and a leader in serving the complex networking and technology needs of businesses." A copy of AT&T's July 22, 2004 news release is attached as Exhibit NS-1. It may very well be that any decision by AT&T to "abandon" private line and Ethernet services is part of this new strategy.

30. Furthermore, putting aside the reasons for its business decisions, it is unclear specifically what services AT&T claims it is no longer offering. For example, I would note that AT&T continues to offer both private line and Ethernet

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services. In fact, on October 14, 2004, AT&T announced that it had won an integrated networking contract from CenterPoint Energy, which includes frame relay and private line services. A copy of this press release is attached as Exhibit NS-2. Similarly, AT&T announced on September 29, 2004 that it had extended its business relationship with Zions Bancorporation by executing a new networking contract that includes “frame relay, private line, calling card, and voice services.” A copy of this press release is attached as Exhibit NS-3. AT&T also recently announced that it was expanding its “global networking capabilities” by doubling its “wired Ethernet” locations, proclaiming itself as “a leader of IP networking solutions” A copy of this September 28, 2004 press release is attached as Exhibit NS-4. Based on the foregoing announcements, it does not appear that AT&T is telling regulators and the investing public the same story about its private line and Ethernet business.

31. Relying upon its own loop deployment experience, AT&T also argues (pp. 30-42) that competitive deployment of DS-1 circuits is “infeasible,” suggesting that competitors will only deploy facilities to serve buildings in very limited circumstances. This argument is not consistent with BellSouth's experience or market data that BellSouth has obtained.

32. **[BEGIN PROPRIETARY DATA]**

33.

34.

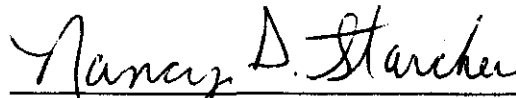
35.

[END PROPRIETARY

DATA]

Further affiant sayeth not.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.



Nancy D. Starcher

Director – Transport Products
Interconnection Services

Subscribed and sworn to before me

This 18th day of October, 2004


Notary Public

Gay P. Ditz
Notary Public, DeKalb County
Georgia
My Commission Expires
February 09, 2007

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**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of)	
)	
Unbundled Access to Network Elements)	WC Docket No. 04-313
)	
Review of the Section 251 Unbundling)	CC Docket No. 01-338
Obligations of Incumbent Local Exchange)	
Carriers)	
)	

**REPLY AFFIDAVIT OF SHELLEY W. PADGETT
ON BEHALF OF BELL SOUTH TELECOMMUNICATIONS INC.**

FILED OCTOBER 19, 2004

Being of lawful age, and duly sworn upon my oath, I do hereby depose and state:

1. My name is Shelley W. Padgett. I am employed by BellSouth Telecommunications, Inc. ("BellSouth") as Assistant Director in Interconnection Services. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375. I prepared an affidavit submitted as part of these proceedings on October 4, 2004, before the Federal Communications Commission ("FCC").
2. The purpose of this Reply Affidavit is to respond to various arguments by commenters in this proceeding concerning high-capacity loops, transport, and dark fiber as well as Enhanced Extended Loops ("EELs"). In general, commenters have attempted to frame the discussion so that it seems outrageous if one more carrier cannot compete successfully in any location in which it chooses (Alpheus, p. 52; Loop and Transport CLEC Coalition, p. 73), which ignores that the purpose of the impairment inquiry is to determine the impacts on competition, not individual competitors.
3. In an extension of this faulty idea, AT&T and MCI have proposed that the Commission rely on the maximum number of DS3 facilities that are available on a particular route under the *Triennial Review Order's* "capacity limits." These commenters fail to recognize that if multiple competitive suppliers have deployed along a route, it is irrelevant that any additional carriers be able to deploy. For instance, AT&T finds fault with the self-provisioning trigger previously established by the Commission since it did not require that any of the carriers offer wholesale access to its facilities. AT&T claims that all other carriers are then without access to UNEs "...even though they are impaired." (p. 64). Again, if customers have a

choice between multiple competitive suppliers, it is not necessarily efficient or even reasonable that any more carriers compete for that same customer.

Special Access

4. The DC Circuit Court recognized that carriers may be using special access services from ILECs to compete with the ILEC and directed the Commission to consider the availability of special access when examining impairment. Commenters have argued that, in spite of the Court's direction to consider special access, the Commission may, and should, simply state that special access is irrelevant to the issue at hand. While making no statement regarding the merit of this claim, I will briefly address some the issues raised by commenters concerning special access. Other issues associated with special access are addressed in the reply affidavits of Alphonso Varner and Nancy Starcher.
5. First, commenters claim that the ILEC data regarding the use of special access by CLECs overstates the actual occurrence of CLECs making competitive use of special access. (MCI, p. 168) Specifically, Loop and Transport CLEC Coalition affiant Sommi states that ILECs are presumably counting as special access facilities originally ordered as UNEs but provisioned as special access services due to the lack of available UNE facilities. (¶15) As a preliminary matter, BellSouth does not force a CLEC to order special access if the CLEC had ordered UNEs and no facilities are available. If a CLEC's order for a UNE is rejected due to a lack of facilities, the CLEC has the option of having BellSouth construct the facility for the CLEC if it is willing to pay any applicable special construction charges.